

RECEIVED

JUL 31 2006

PUBLIC SERVICE
COMMISSION

July 31, 2006

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

Re: Columbia Gas of Kentucky, Inc.
Gas Cost Adjustment Case No. 2006 - 00366

Case No. 2006-00366

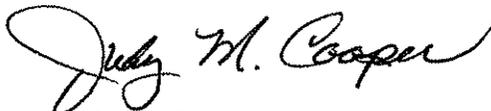
Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated January 30, 2001 in Administrative Case No. 384, Columbia Gas of Kentucky, Inc. ("Columbia") hereby encloses, for filing with the Commission, an original and six (6) copies of data submitted pursuant to the requirements of the Gas Cost Adjustment Provision contained in Columbia's tariff for its September quarterly Gas Cost Adjustment ("GCA").

Columbia proposes to decrease its current rates to tariff sales customers by \$1.9686 per Mcf effective with its September 2006 billing cycle on August 29, 2006. The decrease is composed of a decrease of \$1.0700 per Mcf in the Average Commodity Cost of Gas, an increase of \$0.0621 per Mcf in the Average Demand Cost of Gas, an increase of (\$0.0001) per Mcf in the SAS Refund Adjustment, a decrease of \$0.0032 per Mcf in the Balancing Adjustment, and an increase of (\$1.9686) per Mcf in the Actual Cost Adjustment.

Please feel free to contact me at 859-288-0242 if there are any questions.

Sincerely,



Judy M. Cooper
Director, Regulatory Policy

Enclosures

BEFORE THE
PUBLIC SERVICE COMMISSION
OF KENTUCKY

COLUMBIA GAS OF KENTUCKY, INC.

CASE 2006-00364

GAS COST ADJUSTMENT AND REVISED RATES OF
COLUMBIA GAS OF KENTUCKY, INC. PROPOSED TO BECOME
EFFECTIVE SEPTEMBER 2006 BILLINGS

Columbia Gas of Kentucky, Inc.
Comparison of Current and Proposed GCAs

<u>Line</u> <u>No.</u>	<u>June-06</u> <u>CURRENT</u>	<u>September-06</u> <u>PROPOSED</u>	<u>DIFFERENCE</u>
1 Commodity Cost of Gas	\$9.4889	\$8.4189	(\$1.0700)
2 Demand Cost of Gas	\$1.2146	\$1.2767	\$0.0621
3 Total: Expected Gas Cost (EGC)	\$10.7035	\$9.6956	(\$1.0079)
4 SAS Refund Adjustment	(\$0.0001)	(\$0.0002)	(\$0.0001)
5 Balancing Adjustment	(\$0.0026)	\$0.0006	\$0.0032
6 Supplier Refund Adjustment	(\$0.0132)	(\$0.0132)	\$0.0000
7 Actual Cost Adjustment	(\$0.7033)	(\$1.6671)	(\$0.9638)
8 Gas Cost Incentive Adjustment	\$0.0230	\$0.0230	\$0.0000
9 Cost of Gas to Tariff Customers (GCA)	\$10.0073	\$8.0387	(\$1.9686)
10 Transportation TOP Refund Adjustment	\$0.0000	\$0.0000	\$0.0000
11 Banking and Balancing Service	\$0.0205	\$0.0205	\$0.0000
12 Rate Schedule FI and GSO			
13 Customer Demand Charge	\$6.5490	\$6.5482	(\$0.0008)

Columbia Gas of Kentucky, Inc.
Gas Cost Adjustment Clause
Gas Cost Recovery Rate
Sept - Nov 06

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Expires</u>
1	Expected Gas Cost (EGC) Schedule No. 1	\$9.6956	
2	Actual Cost Adjustment (ACA) Schedule No. 2	(\$1.6671)	8-31-07
3	SAS Refund Adjustment (RA) Schedule No. 5	(\$0.0002)	8-31-07
4	Supplier Refund Adjustment (RA) Schedule No. 4	(\$0.0007)	05-31-07
	Schedule No. 4 Case No. 2006-	(\$0.0124)	02-28-07
	Schedule No. 4 Case No. 2005-00318	(\$0.0001)	11-30-06
	Total Refunds	<u>(\$0.0132)</u>	
5	Balancing Adjustment (BA) Schedule No. 3	\$0.0006	8-31-07
6	Gas Cost Incentive Adjustment Schedule No. 6	\$0.0230	5-31-07
7	Gas Cost Adjustment		
8	Sept - Nov 06	<u>\$8.0387</u>	
9	Expected Demand Cost (EDC) per Mcf		
10	(Applicable to Rate Schedule IS/SS and GSO) Schedule No. 1, Sheet 4	<u>\$6.5482</u>	

DATE FILED: July 31, 2006

BY: J. M. Cooper

Columbia Gas of Kentucky, Inc.
Expected Gas Cost for Sales Customers
 Sept - Nov 06

Schedule No. 1
 Sheet 1

Line No.	Description	Reference	Volume A/		Rate		Cost (5)
			Mcf (1)	Dth. (2)	Per Mcf (3)	Per Dth (4)	
Storage Supply							
Includes storage activity for sales customers only							
Commodity Charge							
1	Withdrawal			(1,010,000)		\$0.0153	\$15,453
2	Injection			1,481,000		\$0.0153	\$22,659
3	Withdrawals: gas cost includes pipeline fuel and commodity charges			995,000		\$8.4079	\$8,365,861
Total							
4	Volume	= 3		995,000			
5	Cost	sum(1:3)					\$8,403,973
6	Summary	4 or 5		995,000			\$8,403,973
Flowing Supply							
Excludes volumes injected into or withdrawn from storage.							
Net of pipeline retention volumes and cost. Add unit retention cost on line 17							
7	Non-Appalachian	Sch.1, Sht. 5, Ln. 4		1,132,000			\$7,657,665
8	Appalachian Supplies	Sch.1, Sht. 6, Ln. 4		84,000			\$603,000
9	Less Fuel Retention By Interstate Pipelines	Sch. 1,Sheet 7, Lines 21, 22		(137,000)			(\$1,142,660)
10	Total	7 + 8 + 9		1,079,000			\$7,118,005
Total Supply							
11	At City-Gate	Line 6 + 10		2,074,000			\$15,521,978
Lost and Unaccounted For							
12	Factor			-0.9%			
13	Volume	Line 11 * 12		(18,666)			
14	At Customer Meter	Line 11 + 13		2,055,334			
15	Sales Volume	Line 14	1,947,261	2,055,334			
Unit Costs \$/MCF							
Commodity Cost							
16	Excluding Cost of Pipeline Retention	Line 11 / Line 15				\$7.9712	
17	Annualized Unit Cost of Retention	Sch. 1,Sheet 7, Line 24				\$0.4477	
18	Including Cost of Pipeline Retention	Line 16 + 17				\$8.4189	
19	Demand Cost	Sch.1, Sht. 2, Line 9				\$1.2767	
20	Total Expected Gas Cost (EGC)	Line 18 + 19				\$9.6956	

A/ BTU Factor = 1.0555 Dth/MCF

Columbia Gas of Kentucky, Inc.
GCA Unit Demand Cost
Sept - Nov 06

Schedule No. 1
 Sheet 2

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	
1	Expected Demand Cost: Annual Sept 2006 - Aug 2007	Sch. No.1, Sheet 3, Ln. 41	\$20,018,209
2	Less Rate Schedule IS/SS and GSO Customer Demand Charge Recovery	Sch. No.1, Sheet 4, Ln. 10	-\$449,310
3	Less Storage Service Recovery from Delivery Service Customers		-\$199,899
4	Net Demand Cost Applicable 1 + 2 + 3		\$19,368,999
	Projected Annual Demand: Sales + Choice Sept 2006 - Aug 2007		
	At city-gate		
	In Dth		16,159,000 Dth
	Heat content		1.0555 Dth/MCF
5	In MCF		15,309,332 MCF
	Lost and Unaccounted - For		
6	Factor		0.9%
7	Volume	5 * 6	<u>137,784</u> MCF
8	At Customer Meter	5 - 7	15,171,548 MCF
9	Unit Demand Cost (7 / 10)	To Sheet 1, line 19	\$1.2767 per MCF

Columbia Gas of Kentucky, Inc.
Annual Demand Cost of Interstate Pipeline Capacity
Sept 2006 - Aug 2007

Schedule No. 1
 Sheet 3

Line No.	Description	Dth	Monthly Rate \$/Dth	# Months	Expected Annual Demand Cost
Columbia Gas Transmission Corporation					
Firm Storage Service (FSS)					
1	FSS Max Daily Storage Quantity (MDSQ)	220,880	\$1.5000	12	\$3,975,840
2	FSS Seasonal Contract Quantity (SCQ)	11,264,911	\$0.0288	12	\$3,893,153
Storage Service Transportation (SST)					
3	Summer Sept. 06, Apr. - Aug 07	110,440	\$4.1850	6	\$2,773,148
4	Winter Oct. 06 - Mar. 07	220,880	\$4.1850	6	\$5,546,297
5	Firm Transportation Service (FTS)	20,014	\$5.9410	12	\$1,426,838
6	Subtotal			sum(1:5)	\$17,615,277
Columbia Gulf Transmission Company					
11	FTS - 1 (Mainline)	28,991	\$3.1450	12	\$1,094,120
Tennessee Gas					
21	Firm Transportation	20,506	\$4.6238	12	\$1,137,788
Central Kentucky Transmission					
31	Firm Transportation	28,000	\$0.5090	12	\$171,024
41	Total. Used on Sheet 2, line 1				\$20,018,209

Expected Demand Costs Recovered Annually From Rate Schedule IS/SS and GSO Customers

Sept - Nov 06

Line No.	Description	Capacity			Units	Annual Cost
		Daily Dth (1)	# Months (2)	Annualized Dth (3) = (1) x (2)		
1	Expected Demand Costs (Per Sheet 3)					\$20,018,209
City-Gate Capacity:						
Columbia Gas Transmission						
2	Firm Storage Service - FSS	220,880	12	2,650,560		
3	Firm Transportation Service - FTS	20,014	12	240,168		
4	Central Kentucky Transportation	28,000	12	336,000		
5	Total	2 + 3 + 4		3,226,728	Dth	
6	Divided by Average BTU Factor			1.0555	Dth/MCF	
7	Total Capacity - Annualized	Line 5/ Line 6		3,057,061	Mcf	
Monthly Unit Expected Demand Cost (EDC) of Daily Capacity						
8	Applicable to Rate Schedules IS/SS and GSO			\$6.5482	/Mcf	
Line 1 / Line 7						
9	Firm Volumes of IS/SS and GSO Customers	5,718	12	68,616	Mcf	
10	Expected Demand Charges to be Recovered Annually from Rate Schedule IS/SS and GSO Customers	Line 8 * Line 9			to Sheet 2, line 2	\$449,310

Columbia Gas of Kentucky, Inc.
Non-Appalachian Supply: Volume and Cost
Sept - Nov 06

Schedule No. 1
 Sheet 5

Cost includes transportation commodity cost and retention by the interstate pipelines,
 but excludes pipeline demand costs.
 The volumes and costs shown are for sales customers only.

Line No.	Month	Total Flowing Supply Including Gas Injected Into Storage			Net Storage Injection Dth (4)	Net Flowing Supply for Current Consumption	
		Volume A/ Dth (1)	Cost (2)	Unit Cost \$/Dth (3) = (2) / (1)		Volume Dth (5) = (1) + (4)	Cost (6) = (3) x (5)
1	Sep-06	1,525,000	\$9,648,000	\$6.33	(1,197,000)	328,000	\$2,075,111
2	Oct-06	893,000	\$5,801,000	\$6.50	(269,000)	624,000	\$4,053,554
3	Nov-06	180,000	\$1,529,000	\$8.49	0	180,000	\$1,529,000
4	Total 1+2+3	2,598,000	\$16,978,000	\$6.54	(1,466,000)	1,132,000	\$7,657,665

A/ Gross, before retention.

Columbia Gas of Kentucky, Inc.
Appalachian Supply: Volume and Cost
Sept - Nov 06

Schedule No. 1
Sheet 6

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Dth</u> (2)	<u>Cost</u> (3)
1	Sep-06	19,000	\$120,000
2	Oct-06	24,000	\$154,000
3	Nov-06	41,000	\$329,000
4	Total 1 + 2 + 3	84,000	\$603,000

Columbia Gas of Kentucky, Inc.
Annualized Unit Charge for Gas Retained by Upstream Pipelines
 Sept - Nov 06

Schedule No. 1
 Sheet 7

Retention costs are incurred proportionally to the volumes purchased, but recovery of the costs is allocated to quarter by volume consumed.

		Units	Sept - Nov 06	Dec 06 - Feb 07	Mar - May 07	June - Aug 2007	Annual Sept 2006 - Aug 2007
Gas purchased by CKY for the remaining sales customers							
1	Volume	Dth	2,682,000	2,048,000	3,450,000	4,507,000	12,687,000
2	Commodity Cost Including Transportation		\$17,581,000	\$20,440,000	\$29,327,000	\$38,469,000	\$105,817,000
3	Unit cost	\$/Dth					\$8.3406
Consumption by the remaining sales customers							
11	At city gate	Dth	2,074,000	6,330,000	2,737,000	783,000	11,924,000
12	Lost and unaccounted for portion		0.90%	0.90%	0.90%	0.90%	
At customer meters							
13	In Dth (100% - 12) * 11	Dth	2,055,334	6,273,030	2,712,367	775,953	11,816,684
14	Heat content	Dth/MCF	1.0555	1.0555	1.0555	1.0555	
15	In MCF 13 / 14	MCF	1,947,261	5,943,183	2,569,746	735,152	11,195,342
16	Portion of annual line 15, quarterly / annual		17.4%	53.1%	23.0%	6.6%	100.0%
Gas retained by upstream pipelines							
21	Volume	Dth	137,000	212,000	125,000	127,000	601,000
Cost							
22	Quarterly. Deduct from Sheet 1 3 * 21		To Sheet 1, line 9 \$1,142,660	\$1,768,204	\$1,042,573	\$1,059,254	\$5,012,691
23	Allocated to quarters by consumption		\$871,882	\$2,661,048	\$1,150,599	\$329,163	\$5,012,691
24	Annualized unit charge 23 / 15	\$/MCF	To Sheet 1, line 17 \$0.4477	\$0.4477	\$0.4477	\$0.4477	\$0.4477

COLUMBIA GAS OF KENTUCKY, INC.

Schedule No. 1

Sheet 8

**DETERMINATION OF THE BANKING AND
BALANCING CHARGE
FOR THE PERIOD BEGINNING SEPTEMBER 2006**

<u>Line No.</u>	<u>Description</u>	<u>Dth</u>	<u>Detail</u>	<u>Amount For Transportation Customers</u>
1	Total Storage Capacity. Sheet 3, line 4	11,264,911		
2	Net Transportation Volume	10,279,994		
3	Contract Tolerance Level @ 5%	514,000		
4	Percent of Annual Storage Applicable to Transportation Customers		4.56%	
6	Seasonal Contract Quantity (SCQ)			
7	Rate		\$0.0288	
8	SCQ Charge - Annualized		<u>\$3,893,153</u>	
9	Amount Applicable To Transportation Customers			\$177,528
10	FSS Injection and Withdrawal Charge			
11	Rate		0.0306	
12	Total Cost		<u>\$344,706</u>	
13	Amount Applicable To Transportation Customers			\$15,719
14	SST Commodity Charge			
15	Rate		0.0157	
16	Total Cost		<u>\$145,894</u>	
17	Amount Applicable To Transportation Customers			\$6,653
18	Total Cost Applicable To Transportation Customers			<u>\$199,899</u>
19	Total Transportation Volume - Mcf			18,658,484
20	Flex and Special Contract Transportation Volume - Mcf			(8,919,030)
21	Net Transportation Volume - Mcf	line 19 + line 20		9,739,454
22	Banking and Balancing Rate - Mcf.	Line 18 / line 21. To line 11 of the GCA Comparison		<u>\$0.0205</u>

ACTUAL ADJUSTMENT

COLUMBIA GAS OF KENTUCKY, INC.

**STATEMENT SHOWING COMPUTATION OF
ACTUAL GAS COST ADJUSTMENT (ACA)
BASED ON THE TWELVE MONTHS ENDED JUNE 30, 2006**

LINE NO.	MONTH	Total Sales Volumes <u>Per Books</u> Mcf (1)	Standby Service Sales <u>Volumes</u> Mcf (2)	Net Applicable Sales <u>Volumes</u> Mcf (3)=(1)-(2)	Average Expected Gas Cost <u>Rate</u> \$/Mcf (4)	Gas Cost <u>Recovery</u> \$ (5)	Standby Service <u>Recovery</u> \$ (6)	Total Gas Cost <u>Recovery</u> \$ (7)=(5)+(6)	Cost of Gas <u>Purchased</u> \$ (8)	(OVER)/ UNDER RECOVERY \$ (9)=(8)-(7)
1	July 2005	186,257	1,197	185,060	\$9.4578	\$1,750,252	\$53,570	\$1,803,822	(\$1,278,002)	(\$3,081,824)
2	August 2005	182,307	3,161	179,146	\$9.4577	\$1,694,301	\$67,800	\$1,762,101	\$1,426,238	(\$335,863)
3	September 2005	236,055	2,344	233,711	\$9.9800	\$2,332,426	\$60,775	\$2,393,201	\$10,938	(\$2,382,263)
4	October 2005	278,865	2,519	276,346	\$10.1188	\$2,796,286	\$60,374	\$2,856,660	\$8,978,735	\$6,122,075
5	November 2005	772,969	6,149	766,820	\$12.9657	\$9,942,341	\$87,348	\$10,029,689	\$16,664,340	\$6,634,651
6	December 2005	1,733,771	2,428	1,731,343	\$15.3223	\$26,528,157	\$78,328	\$26,606,484	\$30,352,882	\$3,746,398
7	January 2006	2,107,138	5,477	2,101,661	\$15.3548	\$32,270,581	\$124,428	\$32,395,009	\$21,916,422	(\$10,478,587)
8	February 2006	1,715,692	2,301	1,713,391	\$12.3406	\$21,144,303	\$70,243	\$21,214,546	\$19,646,500	(\$1,568,046)
9	March 2006	1,592,272	5,433	1,586,839	\$11.7832	\$18,698,092	\$75,493	\$18,773,584	\$11,738,087	(\$7,035,497)
10	April 2006	1,018,897	3,599	1,015,298	\$11.7716	\$11,951,693	\$74,067	\$12,025,759	\$4,252,038	(\$7,773,722)
11	May 2006	480,311	1,849	478,462	\$11.7716	\$5,632,266	\$49,848	\$5,682,113	\$4,096,172	(\$1,585,942)
12	June 2006	294,462	(1,588)	296,050	\$10.7242	\$3,174,910	\$19,779	\$3,194,689	(\$3,386,593)	(\$6,581,282)
13	TOTAL	10,598,996	34,869	10,564,127		\$137,915,606	\$822,052	\$138,737,658	\$114,417,757	(\$24,319,902)
14	Off-System Sales									(\$740,813)
15	Capacity Release									(\$217,235)
16	Gas Cost Audit									\$0
17	TOTAL (OVER)/UNDER-RECOVERY									<u>(\$25,277,950)</u>
18	Demand Revenues Received									\$13,223,300
19	Demand Cost of Gas									<u>\$18,670,400</u>
20	Demand Under Recovery									<u>\$5,447,100</u>
21	Expected Sales + Choice Volumes for the Twelve Months End Aug. 30, 2007									15,162,300
22	DEMAND ACA TO EXPIRE AUGUST 31, 2007									\$0.3593
23	Commodity Revenues Received									\$125,514,365
24	Commodity Cost of Gas									<u>\$94,789,308</u>
25	Commodity Under Recovery									<u>(\$30,725,056)</u>
26	Expected Sales + Choice Volumes for the Twelve Months End Aug. 30, 2007									15,162,300
27	COMMODITY ACA TO EXPIRE AUGUST 31, 2007									(\$2.0264)
28	TOTAL ACA TO EXPIRE AUGUST 31, 2007									<u>(\$1.6671)</u>

**STATEMENT SHOWING ACTUAL COST
RECOVERY FROM CUSTOMERS TAKING STANDBY
SERVICE UNDER RATE SCHEDULE IS AND GSO
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006**

<u>LINE NO.</u>	<u>MONTH</u>	<u>SS Commodity Volumes</u> (1) Mcf	<u>Average SS Recovery Rate</u> (2) \$/Mcf	<u>SS Commodity Recovery</u> (3) \$
1	July 2005	1,197	\$10.3208	\$12,354
2	August 2005	3,161	\$8.5987	\$27,180
3	September 2005	2,344	\$8.5987	\$20,155
4	October 2005	2,519	\$8.5987	\$21,660
5	November 2005	6,149	\$7.8885	\$48,506
6	December 2005	2,428	\$16.0929	\$39,074
7	January 2006	5,477	\$14.7332	\$80,694
8	February 2006	2,301	\$13.2956	\$30,593
9	March 2006	5,433	\$8.3922	\$45,595
10	April 2006	3,599	\$9.0040	\$32,405
11	May 2006	1,849	\$9.6990	\$17,933
12	June 2006	(1,588)	\$9.6990	(\$15,402)
13	Total SS Commodity Recovery			<u>\$360,749</u>

<u>LINE NO.</u>	<u>MONTH</u>	<u>SS Demand Volumes</u> (1) Mcf	<u>Average SS Demand Rate</u> (2) \$/Mcf	<u>SS Demand Recovery</u> (3) \$
14	July 2005	5,956	\$6.9200	\$41,216
15	August 2005	5,956	\$6.8200	\$40,620
16	September 2005	5,956	\$6.8200	\$40,620
17	October 2005	5,956	\$6.5000	\$38,714
18	November 2005	5,832	\$6.6600	\$38,841
19	December 2005	5,894	\$6.6600	\$39,254
20	January 2006	5,894	\$7.4200	\$43,734
21	February 2006	5,763	\$6.8800	\$39,650
22	March 2006	5,363	\$5.5748	\$29,898
23	April 2006	6,359	\$6.5516	\$41,661
24	May 2006	4,865	\$6.5600	\$31,914
25	June 2006	5,363	\$6.5600	\$35,181
26	Total SS Demand Recovery			<u>\$461,303</u>
27	TOTAL SS AND GSO RECOVERY			<u><u>\$822,051</u></u>

BALANCE ADJUSTMENT

COLUMBIA GAS OF KENTUCKY, INC.

**CALCULATION OF BALANCING ADJUSTMENT
TO BE EFFECTIVE SEPTEMBER 1, 2006**

<u>Line No.</u>	<u>Description</u>	<u>Detail</u> \$	<u>Amount</u> \$
1	<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND ADJUSTMENT (a)</u>		
2	Total adjustment to have been distributed to		
3	customers in Case No. 2005-00051	(\$50,718.56)	
4	Less: actual amount distributed	<u>(\$48,549.32)</u>	
5	REMAINING AMOUNT		(\$2,169.24)
6	<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND ADJUSTMENT (a)</u>		
7	Total adjustment to have been distributed to		
8	customers in Case No. 2005-00179	(\$104,984.31)	
9	Less: actual amount distributed	<u>(\$103,966.87)</u>	
10	REMAINING AMOUNT		(\$1,017.44)
11	<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND ADJUSTMENT (a)</u>		
12	Total adjustment to have been distributed to		
13	customers in Case No. 2005-00179	(\$5,509.09)	
14	Less: actual amount distributed	<u>(\$5,670.93)</u>	
15	REMAINING AMOUNT		\$161.84
16	<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND ADJUSTMENT (a)</u>		
17	Total adjustment to have been distributed to		
18	customers in Case No. 2005-00179	(\$4,665.28)	
19	Less: actual amount distributed	<u>(\$4,725.77)</u>	
20	REMAINING AMOUNT		\$60.49
21	<u>RECONCILIATION OF A PREVIOUS BALANCING ADJUSTMENT (a)</u>		
22	Total adjustment to have been collected from		
22	customers in Case No. 2005-00318	\$39,128.00	
23	Less: actual amount collected	<u>\$31,057.85</u>	
24	REMAINING AMOUNT		\$8,070.15
25	TOTAL BALANCING ADJUSTMENT AMOUNT		<u><u>\$5,105.80</u></u>
26	Divided by: projected sales volumes for the six months		
27	ended February 28, 2007		7,894,306
28	BALANCING ADJUSTMENT (BA) TO		
29	EXPIRE February 28, 2007		<u><u>\$ 0.0006</u></u>

**Columbia Gas of Kentucky, Inc.
Supplier Refund Adjustment
Supporting Data**

Case No. 2005-00051

Expires 02/28/06

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				(\$50,718.56)
March 2005	1,635,850	(\$0.0049)	(\$8,015.67)	(\$42,702.89)
April 2005	1,060,810	(\$0.0049)	(\$5,197.97)	(\$37,504.92)
May 2005	494,629	(\$0.0049)	(\$2,423.68)	(\$35,081.24)
June 2005	264,598	(\$0.0049)	(\$1,296.53)	(\$33,784.71)
July 2005	181,900	(\$0.0049)	(\$891.31)	(\$32,893.40)
August 2005	182,931	(\$0.0049)	(\$896.36)	(\$31,997.04)
September 2005	230,694	(\$0.0049)	(\$1,130.40)	(\$30,866.64)
October 2005	238,197	(\$0.0049)	(\$1,167.17)	(\$29,699.47)
November 2005	681,321	(\$0.0049)	(\$3,338.47)	(\$26,361.00)
December 2005	1,522,244	(\$0.0049)	(\$7,459.00)	(\$18,902.00)
January 2006	1,867,283	(\$0.0049)	(\$9,149.69)	(\$9,752.31)
February 2006	1,538,461	(\$0.0049)	(\$7,538.46)	(\$2,213.85)
March 2006	9,105	(\$0.0049)	(\$44.61)	(\$2,169.24)
			(\$48,549.32)	

SUMMARY:

REFUND AMOUNT (\$50,718.56)

AMOUNT ACTUALLY REFUNDED (\$48,549.32)

TOTAL REMAINING TO BE
COLLECTED (\$2,169.24)

**Columbia Gas of Kentucky, Inc.
Supplier Refund Adjustment
Supporting Data**

Case No. 2005-00179

Expires 05/31/06

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				(\$104,984.31)
June 2005	268,709	(\$0.0110)	(\$2,955.80)	(\$102,028.51)
July 2005	181,900	(\$0.0110)	(\$2,000.90)	(\$100,027.61)
August 2005	182,931	(\$0.0110)	(\$2,012.24)	(\$98,015.37)
September 2005	230,694	(\$0.0110)	(\$2,537.63)	(\$95,477.74)
October 2005	238,197	(\$0.0110)	(\$2,620.17)	(\$92,857.57)
November 2005	681,321	(\$0.0110)	(\$7,494.53)	(\$85,363.04)
December 2005	1,522,244	(\$0.0110)	(\$16,744.68)	(\$68,618.36)
January 2006	1,867,283	(\$0.0110)	(\$20,540.11)	(\$48,078.25)
February 2006	1,538,461	(\$0.0110)	(\$16,923.07)	(\$31,155.18)
March 2006	1,422,086	(\$0.0110)	(\$15,642.95)	(\$15,512.23)
April 2006	900,150	(\$0.0110)	(\$9,901.65)	(\$5,610.58)
May 2006	418,455	(\$0.0110)	(\$4,603.01)	(\$1,007.57)
June 2006	(897)	(\$0.0110)	\$9.87	(\$1,017.44)
			(\$103,966.87)	

SUMMARY:

REFUND AMOUNT (\$104,984.31)

AMOUNT ACTUALLY REFUNDED (\$103,966.87)

TOTAL REMAINING TO BE
COLLECTED (\$1,017.44)

**Columbia Gas of Kentucky, Inc.
Supplier Refund Adjustment
Supporting Data**

Case No. 2005-00179

Expires 05/31/06

	Volume	Refund Rate	Refund Amount	Refund Balance
				(\$5,509.09)
June 2005	268,709	(\$0.0006)	(\$161.23)	(\$5,347.86)
July 2005	181,900	(\$0.0006)	(\$109.14)	(\$5,238.72)
August 2005	182,931	(\$0.0006)	(\$109.76)	(\$5,128.96)
September 2005	230,694	(\$0.0006)	(\$138.42)	(\$4,990.54)
October 2005	238,197	(\$0.0006)	(\$142.92)	(\$4,847.62)
November 2005	681,321	(\$0.0006)	(\$408.79)	(\$4,438.83)
December 2005	1,522,244	(\$0.0006)	(\$913.35)	(\$3,525.48)
January 2006	1,867,283	(\$0.0006)	(\$1,120.37)	(\$2,405.11)
February 2006	1,538,461	(\$0.0006)	(\$923.08)	(\$1,482.03)
March 2006	1,422,086	(\$0.0006)	(\$853.25)	(\$628.78)
April 2006	900,150	(\$0.0006)	(\$540.09)	(\$88.69)
May 2006	418,455	(\$0.0006)	(\$251.07)	\$162.38
June 2006	(897)	(\$0.0006)	\$0.54	\$161.84
			(\$5,670.93)	

SUMMARY:

REFUND AMOUNT (\$5,509.09)

AMOUNT ACTUALLY REFUNDED (\$5,670.93)

TOTAL REMAINING TO BE
COLLECTED \$161.84

Columbia Gas of Kentucky, Inc.
Supplier Refund Adjustment
Supporting Data

Case No. 2005-00179

Expires 05/31/06

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				(\$4,665.28)
June 2005	268,709	(\$0.0005)	(\$134.35)	(\$4,530.93)
July 2005	181,900	(\$0.0005)	(\$90.95)	(\$4,439.98)
August 2005	182,931	(\$0.0005)	(\$91.47)	(\$4,348.51)
September 2005	230,694	(\$0.0005)	(\$115.35)	(\$4,233.16)
October 2005	238,197	(\$0.0005)	(\$119.10)	(\$4,114.06)
November 2005	681,321	(\$0.0005)	(\$340.66)	(\$3,773.40)
December 2005	1,522,244	(\$0.0005)	(\$761.12)	(\$3,012.28)
January 2006	1,867,283	(\$0.0005)	(\$933.64)	(\$2,078.64)
February 2006	1,538,461	(\$0.0005)	(\$769.23)	(\$1,309.41)
March 2006	1,422,086	(\$0.0005)	(\$711.04)	(\$598.37)
April 2006	900,150	(\$0.0005)	(\$450.08)	(\$148.29)
May 2006	418,455	(\$0.0005)	(\$209.23)	\$60.94
June 2006	(897)	(\$0.0005)	\$0.45	\$60.49
			(\$4,725.77)	

SUMMARY:

REFUND AMOUNT (\$4,665.28)

AMOUNT ACTUALLY REFUNDED (\$4,725.77)

TOTAL REMAINING TO BE
COLLECTED \$60.49

Columbia Gas of Kentucky, Inc.
Balancing Adjustment
Supporting Data

Case No. 2005-00318

Expires: 02/28/06	<u>Volume</u>	<u>Surcharge Rate</u>	<u>Surcharge Amount</u>	<u>Surcharge Balance</u>
Beginning Balance				\$39,128.00
September 2005	187,088	\$0.0051	\$954.15	\$38,173.85
October 2005	241,113	\$0.0051	\$1,229.68	\$36,944.17
November 2005	686,877	\$0.0051	\$3,503.07	\$33,441.10
December 2005	1,532,171	\$0.0051	\$7,814.07	\$25,627.03
January 2006	1,877,423	\$0.0051	\$9,574.86	\$16,052.17
February 2006	1,555,556	\$0.0051	\$7,933.34	\$8,118.83
March 2006	9,545	\$0.0051	\$48.68	\$8,070.15
 TOTAL SURCHARGE COLLECTED			 \$31,057.85	

SUMMARY:

SURCHARGE AMOUNT	\$39,128.00
 AMOUNT ACTUALLY COLLECTED	 <u>\$31,057.85</u>
 AMOUNT TO BE COLLECTED	 <u><u>\$8,070.15</u></u>

SAS ADJUSTMENT

*

COLUMBIA GAS OF KENTUCKY, INC.

**SPECIAL AGENCY SERVICE
ACTUAL SAS VOLUMES DELIVERED
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006**

<u>Line</u> <u>No.</u>	<u>Month</u>	SAS Volumes <u>Delivered</u> (Mcf)
1	July 2005	977
2	August 2005	1,352
3	September 2005	1,253
4	October 2005	2,604
5	November 2005	5,480
6	December 2005	8,467
7	January 2006	7,329
8	February 2006	7,200
9	March 2006	6,302
10	April 2006	3,247
11	May 2006	2,704
12	June 2006	<u>1,360</u>
13	TOTAL SAS VOLUMES DELIVERED	48,275
14	TOTAL AGENCY FEE TO BE REFUNDED	(\$2,413.75)
15	(Line No. 13 * \$0.05 per MCF)	
16	DIVIDED BY: Projected Sales and Choice Volumes for the TME August 31, 2007	15,162,300
17	ANNUAL AGENCY FEE REFUND ADJUSTMENT	(\$0.0002)
18	(EXPIRES AUGUST 31, 2007)	

DETAIL SUPPORTING
DEMAND/COMMODITY SPLIT

COLUMBIA GAS OF KENTUCKY
CASE NO. 2006 - Effective September 2006 Billing Cycle

CALCULATION OF DEMAND/COMMODITY SPLIT OF GAS COST ADJUSTMENT FOR TARIFFS

	\$/MCF	
Demand Component of Gas Cost Adjustment		
Demand Cost of Gas (Schedule No. 1, Sheet 1, Line 19)	\$1.2767	
Demand ACA (Schedule No. 2, Sheet 1, Line 23)	0.3593	
Refund Adjustment (Schedule No. 4)	-0.0132	
SAS Refund Adjustment (Schedule No. 5)	<u>-0.0002</u>	
Total Demand Rate per Mcf	\$1.6226	<--- to Att. E, line 21

Commodity Component of Gas Cost Adjustment

Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 18)	\$8.4189
Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	-\$2.0264
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	\$0.0006
Gas Cost Incentive Adjustment (Schedule No. 6)	<u>\$0.0230</u>
Total Commodity Rate per Mcf	\$6.4161

CHECK:	\$1.6226
	<u>\$6.4161</u>
COST OF GAS TO TARIFF CUSTOMERS (GCA)	\$8.0387

Calculation of Rate Schedule SVGTS - Actual Gas Cost Adjustment

Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	-\$2.0264
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	\$0.0006
Gas Cost Incentive Adjustment (Schedule No. 6)	<u>\$0.0230</u>
Total Commodity Rate per Mcf	-\$2.0028

Columbia Gas of Kentucky, Inc.
CKY Choice Program
100% Load Factor Rate of Assigned FTS Capacity
Balancing Charge
Sept - Nov 06

Line No.	Description	Contract Volume Dth Sheet 3 (1)	Retention (2)	Monthly demand charges \$/Dth Sheet 3 (3)	# months A/ (4)	Assignment proportions lines 4, 5 (5)	Adjustment for retention on downstream pipe, if any (6) = 1 / (100% - col2)	Annual costs (7) = 3 * 4 * 5 * 6	
								\$/Dth	\$/MCF

City gate capacity assigned to Choice marketers

Contract			
1	CKT FTS/SST	28,000	1.000%
2	TCO FTS	<u>20,014</u>	2.007%
3	Total	48,014	

Assignment Proportions			
4	CKT FTS/SST	1 / 3	58.32%
5	TCO FTS	2 / 3	41.68%

Annual demand cost of capacity assigned to choice marketers

11	CKT FTS		\$0.5090	12	0.5832	1.0000	\$3.5620
12	TCO SST @ CKT FTS rate		\$1.5300	0	0.5832	1.0000	\$0.0000
13	TCO FTS		\$5.9410	12	0.4168	1.0000	\$29.7171
14	Gulf FTS-1, upstream to CKT FTS		\$3.1450	12	0.5832	1.0101	\$22.2309
15	TGP FTS-A, upstream to TCO FTS		\$4.6238	12	0.4168	1.0205	\$23.6021
16	Total Demand Cost of Assigned FTS, per unit						\$79.1121 \$83.4633
17	100% Load Factor Rate (16 / 365 days)						\$0.2287

Balancing charge, paid by Choice marketers

21	Demand Cost Recovery Factor in GCA, per Mcf per CKY Tariff Sheet No. 5						\$1.6226
22	Less credit for cost of assigned capacity						(\$0.2287)
23	Plus storage commodity costs incurred by CKY for the Choice marketer						\$0.1219
24	Balancing Charge, per Mcf sum(21:23)						\$1.5158

A/ TCO SST and CKT, together total 12 months.

PIPELINE COMPANY TARIFF SHEETS

Columbia Gas Transmission Corporation
FERC Gas Tariff
Second Revised Volume No. 1

Seventy-Ninth Revised Sheet No. 25
Currently Effective
Superseding Seventy-Eighth Revised Sheet No. 25

Currently Effective Rates
 Applicable to Rate Schedule FTS and NTS
 Rate Per Dth

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment		Electric Power Costs Adjustment		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate	
		Current	Surcharge	Current	Surcharge				
Rate Schedule FTS									
Reservataion Charge 3/	\$ 5.575	0.354	-0.017	0.029	0.000	-	5.941	0.195	
Commodity									
Maximum	¢ 1.04	0.25	0.00	0.26	0.01	0.18	1.74	1.74	
Minimum	¢ 1.04	0.25	0.00	0.26	0.01	0.18	1.74	1.74	
Overrun	¢ 19.37	1.41	-0.06	0.36	0.01	0.18	21.27	21.27	
Rate Schedule NTS									
Reservation Charge 3/	\$ 7.084	0.354	-0.017	0.029	0.000	-	7.450	0.245	
Commodity									
Maximum	¢ 1.04	0.25	0.00	0.26	0.01	0.18	1.74	1.74	
Minimum	¢ 1.04	0.25	0.00	0.26	0.01	0.18	1.74	1.74	
Overrun	¢ 24.33	1.41	-0.06	0.36	0.01	0.18	26.23	26.23	

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 30A.

2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

3/ Minimum reservation charge is \$0.00.

Issued by: Thomas D. Stone, Manager
 Issued on: March 1, 2006

Effective: April 1, 2006

**Columbia Gas Transmission Corporation
 FERC Gas Tariff
 Second Revised Volume No. 1**

**Seventy-Ninth Revised Sheet No. 26
 Currently Effective
 Superseding Seventy-Eighth Revised Sheet No. 26**

Currently Effective Rates
 Applicable to Rate Schedule SST and GTS
 Rate Per Dth

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment		Electric Power Costs Adjustment		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate	
		Current	Surcharge	Current	Surcharge				
Rate Schedule SST									
Reservation Charge 3/	\$ 5.405	0.354	-0.017	0.029	0.000	-	5.771	0.190	
Commodity									
Maximum	¢ 1.02	0.25	0.00	0.26	0.01	0.18	1.72	1.72	
Minimum	¢ 1.02	0.25	0.00	0.26	0.01	0.18	1.72	1.72	
Overrun	¢ 18.79	1.41	-0.06	0.36	0.01	0.18	20.69	20.69	
Rate Schedule GTS									
Commodity									
Maximum	¢ 74.23	2.58	-0.11	0.45	0.01	0.18	77.34	77.34	
Minimum	¢ 3.08	0.25	-0.11	0.26	0.01	0.18	3.67	3.67	
MFCC	¢ 71.15	2.33	0.00	0.19	0.00	-	73.67	73.67	

- 1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 30A.
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
 3/ Minimum reservation charge is \$0.00.

Issued by: Thomas D. Stone, Manager
 Issued on: March 1, 2006

Effective: April 1, 2006

JUL. 28. 2006 07:50

#1655 P.003/006

Columbia Gas Transmission Corporation
 FERC Gas Tariff
 Second Revised Volume No. 1

Twenty-First Revised Sheet No. 29
 Currently Effective
 Superseding Twentieth Revised Sheet No. 29

Currently Effective Rates
 Applicable to Rate Schedule FSS, ISS, and SIT
 Rate Per Dth

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current	Surcharge	Electric Power Costs Adjustment Current	Surcharge	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule FSS								
Reservation Charge	\$ 1.500	-	-	-	-	-	1.500	0.049
Capacity	¢ 2.88	-	-	-	-	-	2.88	2.88
Injection	¢ 1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53	1.53
Overrun	¢ 10.87	-	-	-	-	-	10.87	10.87
Rate Schedule ISS								
Commodity								
Maximum	¢ 5.92	-	-	-	-	-	5.92	5.92
Minimum	¢ 0.00	-	-	-	-	-	0.00	0.00
Injection	¢ 1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53	1.53
Rate Schedule SIT								
Commodity								
Maximum	¢ 4.11	-	-	-	-	-	4.11	4.11
Minimum	¢ 1.53	-	-	-	-	-	1.53	1.53

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

Issued by: Carl W. Levander, Vice President
 Issued on: December 30, 2005

Effective: February 1, 2006

JUL. 28 '2006 07:51

#1655 P.004/006

**Columbia Gulf Transmission Company
 FERC Gas Tariff
 Second Revised Volume No. 1**

**Fortieth Revised Sheet No. 18
 Currently Effective
 Superseding Thirty-Ninth Revised Sheet No. 18**

Currently Effective Rates
 Applicable to Rate Schedule PTS-1
 Rates per Dth

	Base Rate (1) \$	Annual Charge Adjustment (2) \$ 1/	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Company Use and Unaccounted For (6) \$
Rate Schedule PTS-1						
Rayne, LA To Points North						
Reservation Charge 2/	3.1450	-	3.1450	3.1450	0.1034	-
Commodity						
Maximum	0.0170	0.0018	0.0188	0.0188	0.0188	2.265
Minimum	0.0170	0.0018	0.0188	0.0188	0.0188	2.265
Overrun	0.1204	0.0018	0.1222	0.1222	0.1222	2.265

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

Issued by: Thomas D.Stone, Manager
 Issued on: March 1, 2006

Effective: April 1, 2006

JUL.28'2006 07:51

#1655 P.005/006

**Central Kentucky Transmission Company
FERC Gas Tariff
Original Volume No. 1**

**Original Sheet No. 6
Currently Effective**

Currently Effective Rates						
Applicable to Rate Schedules FTS and ITS						
Rate per Dth						
Base	Charge	Tariff Rate	Annual Total Adjustment	Daily	Effective Rate	Rate
Rate Schedule FTS						
Reservation Charge						
	Maximum	\$ 0.509	-		0.509	0.0167
	Minimum	\$ 0.509	-		0.509	0.0167
Commodity Charge						
	Maximum	¢ 0.00		0.18	0.18	0.18
	Minimum	¢ 0.00		0.18	0.18	0.18
	Overrun	¢ 1.67		0.18	1.85	1.85
Rate Schedule ITS						
Commodity Charge						
	Maximum	¢ 1.67		0.18	1.85	1.85
	Minimum	¢ 1.67		0.18	1.85	1.85
RETAINAGE PERCENTAGE						
Transportation Retainage		0.000%				

Issued by: Thomas D.Stone, Manager

Issued on: March 31, 2006

Effective: May 1, 2006

PROPOSED TARIFF SHEETS

CURRENTLY EFFECTIVE BILLING RATES					
	<u>Base Rate Charge</u>	<u>Gas Cost Adjustment^{1/}</u>		<u>Total Billing Rate</u>	
	\$	<u>Demand</u>	<u>Commodity</u>	\$	
		\$	\$	\$	
<u>RATE SCHEDULE GSR</u>					
First 1 Mcf or less per billing period	6.95	1.6226	6.4161	14.9887	R
Over 1 Mcf per billing period	1.8715	1.6226	6.4161	9.9102	R
<u>RATE SCHEDULE GSO</u>					
<u>Commercial or Industrial</u>					
First 1 Mcf or less per billing period	18.88	1.6226	6.4161	26.9187	R
Next 49 Mcf per billing period	1.8715	1.6226	6.4161	9.9102	R
Next 350 Mcf per billing period	1.8153	1.6226	6.4161	9.8540	R
Next 600 Mcf per billing period	1.7296	1.6226	6.4161	9.7683	R
Over 1000 Mcf per billing period	1.5802	1.6226	6.4161	9.6189	R
<u>Delivery Service</u>					
Administrative Charge	55.90			55.90	
<u>Standby Service Demand Charge</u>					
Demand Charge times Daily Firm Vol. (Mcf) in Cust. Serv. Agrmt.		6.5482		6.5482	R
<u>Delivery Rate Per Mcf</u>					
First 400 Mcf per billing period	1.8153			1.8153	
Next 600 Mcf per billing period	1.7296			1.7296	
All Over 1000 Mcf per billing period	1.5802			1.5802	
Former IN8 Rate Per Mcf	1.0575			1.0575	
Banking and Balancing Service		0.0205		0.0205	
(continued on following sheet)					
<p>^{1/} The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff. The Gas Cost Adjustment applicable to a customer who is receiving service under Rate Schedule GS, IN6, or IUS and received service under Rate Schedule SVGTS shall be \$9.6956 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS</p>					
(R) Reduction					

DATE OF ISSUE: July 31, 2006

DATE EFFECTIVE: September 2006 Billing Cycle
(August 29, 2006)

ISSUED BY: Joseph W. Kelly

President

CURRENTLY EFFECTIVE BILLING RATES

(Continued)

	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment^{1/}</u> \$	<u>Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$
<u>RATE SCHEDULE GPR^{3/}</u>					
First 1 Mcf or less per billing period	6.95	N/A	N/A	N/A	N/A
Over 1 Mcf per billing period	1.8715	N/A	N/A	N/A	N/A
<u>RATE SCHEDULE GPO^{3/}</u>					
<u>Commercial or Industrial</u>					
First 1 Mcf or less per billing period	18.88	N/A	N/A	N/A	N/A
Next 49 Mcf per billing period	1.8715	N/A	N/A	N/A	N/A
Next 350 Mcf per billing period	1.8153	N/A	N/A	N/A	N/A
Next 600 Mcf per billing period	1.7296	N/A	N/A	N/A	N/A
Over 1000 Mcf per billing period	1.5802	N/A	N/A	N/A	N/A
<u>RATE SCHEDULE IS</u>					
<u>Customer Charge per billing period</u>	116.55				116.55
First 30,000 Mcf	0.5467		6.4161 ^{2/}		6.9628
Over 30,000 Mcf	0.2905		6.4161 ^{2/}		6.7066
<u>Standby Service Demand Charge</u>					
Demand Charge times Daily Firm					
Volume (Mcf) in Customer Service Agreement		6.5482			6.5482
<u>Delivery Service¹</u>					
Administrative Charge	55.90				55.90
First 30,000 Mcf	0.5467				
Over 30,000 Mcf	0.2905				0.2905
Banking and Balancing Service	0.0205				0.0205
(continued on following sheet)					
^{1/} The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff.					
^{2/} IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.					
^{3/} Currently, there are no customers on this rate schedule.					
(R) – Reduction					

R
R
R

DATE OF ISSUE: July 31, 2006

DATE EFFECTIVE: September 2006 Billing Cycle
(August 29, 2006)

ISSUED BY: Joseph W. Kelly

President

CURRENTLY EFFECTIVE BILLING RATES

(Continued)

	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment^{1/}</u> \$	<u>Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$	
<u>RATE SCHEDULE IUS</u>						
For All Volumes Delivered Per Mcf	0.3038	1.6226	6.4161		8.3425	R
<u>Delivery Service</u>						
Administrative Charge	55.90				55.90	
Delivery Rate Per Mcf	0.3038	1.6226			1.9264	I
Banking and Balancing Service		0.0205			0.0205	
<u>MAINLINE DELIVERY SERVICE</u>						
Administrative Charge	55.90				55.90	
Delivery Rate Per Mcf	0.0858				0.0858	
Banking and Balancing Service		0.0205			0.0205	

^{1/} The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff.

R – Reduction I- Increase

DATE OF ISSUE: July 31, 2006

DATE EFFECTIVE: September 2006 Billing Cycle
(August 29, 2006)

ISSUED BY: Joseph W. Kelly

President

CURRENTLY EFFECTIVE BILLING RATES

RATE SCHEDULE SVGTS

Delivery Charge per Mcf

General Service Residential

First 1 Mcf or less per billing period	\$ 6.95 (Minimum Bill)
Over 1 Mcf per billing period	1.8715

General Service Other

First 1 Mcf or less per billing period	\$18.88 (Minimum Bill)
Next 49 Mcf per billing period	1.8715
Next 350 Mcf per billing period	1.8153
Next 600 Mcf per billing period	1.7296
Over 1000 Mcf per billing period	1.5802

Intrastate Utility Service

For all volumes per billing period	\$ 0.038
------------------------------------	----------

Actual Gas Cost Adjustment

For all volumes per billing period	\$ (2.0028)
------------------------------------	-------------

Rate Schedule SVAS

Balancing Charge – per Mcf	\$ 1.5158
----------------------------	-----------

(I) Increase

DATE OF ISSUE: July 31, 2006

DATE EFFECTIVE: September 2006 Billing Cycle
(August 29, 2006)

ISSUED BY: Joseph W. Kelly

President